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MAYOR EMANUEL INTRODUCES HOME-BUYING PILOT PROGRAM

Homeownership initiative would provide purchase price assistance to buyers in targeted areas

A new pilot home-buying program would help residents purchase newly-built affordable homes in six South and West side neighborhoods through a financial proposal introduced today to City Council by Mayor Rahm Emanuel.

"This pilot program represents the latest effort by the city to help working families achieve affordable homeownership," said Mayor Emanuel "Working with our communities, we have made a lot of progress but there is more work to do, so we will continue making the essential investments to ensure there are affordable housing options in neighborhoods across Chicago."

The Building Neighborhoods and Affordable Homes program would provide purchase price assistance to qualifying homebuyers in portions of Englewood, North and South Lawndale, Humboldt Park, Garfield Park, and Woodlawn. The program would offer up to \$60,000 in assistance to support the purchase of homes built through the City Lots for Working Families program, which provides vacant, City-owned lots to developers of affordable single-family and two-flat homes for \$1 each.

Residents earning up to 140 percent of area median income, or \$94,780 for a two-person household and \$101,520 for a four-person household, would be eligible to participate. Homebuyers must first qualify for financing from a mortgage lender.

An initial \$5 million in grants would be funded through the City's Affordable Housing Opportunity Fund to support the pilot, which has the dual goals of helping working families with down payment and closing costs as well as stimulating targeted housing markets. The assistance would be made available for up to 100 buyers to purchase a home to use as their primary residence for 10 years.

Ten percent of the grant amount would be forgiven for each year of the 10-year term. If the owner sells the home before the term expires, the pro-rated balance must be repaid. Other program rules apply.

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